

90th Legislative Session – 2015

Committee: House State Affairs

Monday, March 09, 2015

P - Present
E - Excused
A - Absent

Roll Call

P Bartling
P Bolin
P Haggar (Don)
P Hawley
P Langer
P Mickelson
P Munsterman
P Solum
P Stevens
P Verchio
P Wink
P Westra, Vice-Chair
P Gosch, Chair

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Brian G. Gosch, Chair.

MOTION: TO APPROVE THE MINUTES OF FRIDAY, MARCH 6, 2015

Action: Prevailed by voice vote.

SB 1: revise certain taxes and fees to fund improvements to public roads and bridges in South Dakota.

Proponents: Senator Mike Vehle (amendments 1oh, 1ol, 1ft)
Dick Howard, South Dakota Association of Towns and Townships
(amendments 1oh, 1of)
Representative Dick Werner (amendment 1of)
Nathan Sanderson, Governor's Office, Pierre (amendment 1ft)

Opponents: Dawna Leitzke, SD Petroleum And Propane Marketers Association (amendment 1fy)
Senator Mike Vehle (Handouts: #1, amendments 1ok, 1fz)
Representative Dick Werner (amendment 1ok)
Dawna Leitzke, SD Petroleum And Propane Marketers Association
(Handouts: #2, amendment 1ok)
Jason Glodt, Roads Are Vital Coalition (amendment 1ok)
Nathan Sanderson, Governor's Office, Pierre (amendment 1ok)
Others: Darin Bergquist, Secretary, Department of Transportation (answered questions on
amendment 1ok)

MOTION: AMEND SB 1

1oe

On page 12 of the Senate engrossed bill, delete lines 3 to 10, inclusive.

Moved by: Mickelson
Second by: Westra
Action: Prevailed by voice vote.

MOTION: AMEND SB 1

1ft

On page 10, line 11, of the Senate engrossed bill, delete everything after "decision to" and insert "authorize an increased tax levy is subject to the referendum process in accordance with chapter 7-18A.".

On page 10, delete line 12.

On page 10, line 16, delete "24" and insert "23".

On page 10, line 18, delete everything after "from the" and insert "tax limitations imposed on a township pursuant to chapter 10-13.".

On page 10, delete lines 19 to 24, inclusive.

On page 11, delete lines 1 to 4, inclusive.

Moved by: Mickelson

Second by: Westra
Action: Failed by roll call vote. (5-8-0-0)

Voting Yes: Bolin, Mickelson, Wink, Westra, Gosch

Voting No: Bartling, Haggard (Don), Hawley, Langer, Munsterman, Solum, Stevens, Verchio

MOTION: AMEND SB 1

1oh

On page 10, of the Senate engrossed bill, delete lines 2 to 24, inclusive, and insert:

"bridge reserve fund." Any tax levy imposed pursuant to this section is exempt from the tax limitations imposed on a county pursuant to chapter 10-13.

Notwithstanding any other provision of law, any action by the board of county commissioners to authorize a tax levy pursuant to this section is subject to the referendum process in accordance with chapter 7-18A.

Section 21. The voters of an organized civil township at the annual township meeting may authorize an annual property tax levy not to exceed fifty cents per thousand dollars of the taxable valuation of the township for the secondary road capital improvement fund for projects and purposes as defined in section 22 of this Act. The secondary road capital improvement tax levy authorized by this section is in addition to the levies authorized in §§ 10-12-28 and 31-13-22. Any tax levy imposed pursuant to this section is exempt from the tax limitations imposed on a township pursuant to chapter 10-13."

On page 11, delete lines 1 to 4, inclusive.

Moved by: Bartling
Second by: Solum
Action: Prevailed by voice vote.

MOTION: AMEND SB 1

1of

On page 5, line 9, of the Senate engrossed bill, delete "thirty-three" and insert "thirty-six".

On page 5, line 10, delete "sixty-six" and insert "seventy-two".

On page 5, line 11, delete "ninety-nine" and insert "one hundred eight".

On page 5, line 12, delete "thirty-two" and insert "forty-four".

On page 5, line 17, delete "ten" and insert "twenty".

On page 5, line 19, delete "eleven" and insert "twelve".

On page 5, line 23, delete "seventy-five" and insert "eighty".

On page 6, line 9, delete "ninety-nine" and insert "one hundred eight".

On page 6, line 10, delete "thirty-two" and insert "forty-four".

On page 6, line 12, delete "sixty-five" and insert "eighty".

On page 6, line 15, delete "thirty-three" and insert "thirty-six".

On page 7, line 1, delete "seventeen" and insert "eighteen".

On page 7, line 2, delete "thirty-three" and insert "thirty-six".

On page 7, line 3, delete "fifty" and insert "fifty-four".

On page 7, line 4, delete "sixty-six" and insert "seventy-two".

On page 7, line 5, delete "eighty-three" and insert "ninety".

On page 7, line 6, delete "ninety-nine" and insert "one hundred eight".

On page 7, line 7, delete "sixteen" and insert "twenty-six".

On page 7, line 8, delete "thirty-two" and insert "forty-four".

On page 7, line 10, delete "forty".

On page 7, line 11, delete "nine" and insert "sixty-two".

On page 7, line 12, delete "sixty-five" and insert "eighty".

On page 7, line 15, delete "seventeen" and insert "eighteen".

On page 8, line 2, delete "sixteen" and insert "eighteen".

On page 8, line 3, delete "nineteen" and insert "twenty-one".

On page 8, line 5, delete "twenty-two" and insert "twenty-four".

On page 8, line 8, delete "ninety-two" and insert "one hundred one".

On page 8, line 21, delete "twenty-two" and insert "twenty-four".

On page 9, line 6, delete "ninety-two" and insert "one hundred one".

Moved by: Langer
Second by: Westra
Action: Prevailed by voice vote.

MOTION: AMEND SB 1

1oj

On page 11, line 24, of the Senate engrossed bill, overstrike "four" and insert "five".

On page 12, line 2, delete "forty-eight" and insert "sixty".

Moved by: Mickelson
Second by: Westra
Action: Prevailed by voice vote.

MOTION: AMEND SB 1

1ok

On page 4 of the Senate engrossed bill, delete lines 4 to 7, inclusive, and insert:

"

- (1) \$.24 per gallon on July 1, 2015, to June 30, 2016, inclusive;
- (2) \$.26 per gallon on July 1, 2016, to June 30, 2017, inclusive; and

- (3) \$.28 per gallon on and after July 1, 2017."

On page 4, delete lines 11 to 14, inclusive, and insert:

"

- (1) \$.10 per gallon on July 1, 2015, to June 30, 2016, inclusive;
- (2) \$.12 per gallon on July 1, 2016, to June 30, 2017, inclusive; and
- (3) \$.14 per gallon on and after July 1, 2017."

Moved by: Haggard (Don)
Second by: Gosch
Action: Prevailed by voice vote.

MOTION: AMEND SB 1

101

On page 9 of the Senate engrossed bill, delete lines 16 to 24, inclusive, and insert:

" 10-12-13. The board of county commissioners may levy an annual tax ~~not to exceed one dollar and twenty cents per thousand dollars of taxable valuation~~ as a reserve fund to be accumulated and used for the purpose of ~~matching federal aid grants which have or may hereafter become available~~ maintaining, repairing, constructing, and reconstructing roads and bridges as follows:

- (1) One dollar and twenty cents per thousand dollars of taxable valuation, if the total taxable valuation of the county is one billion dollars or less;
- (2) Ninety cents per thousand dollars of taxable valuation, if the total taxable valuation of the county is more than one billion dollars but less than two billion dollars; and
- (3) Sixty cents per thousand dollars of taxable valuation, if the total taxable valuation of the county is two billion dollars or more.

Moneys in the fund may be expended ~~in cooperation with the federal government~~ in the laying out, marking, maintaining, constructing, and reconstructing roads and maintaining, constructing, and reconstructing bridges, under the jurisdiction of the board of county commissioners. The tax levy shall be in addition to all other levies authorized to be made by the board of county commissioners for road and bridge purposes provided for in § 10-12-21. The".

Moved by: Langer

Second by: Gosch
Action: Prevailed by voice vote.

MOTION: AMEND SB 1

lom

On page 12, after line 10 of the Senate engrossed bill, insert:

" Section 28. That § 32-25-4 be amended to read as follows:

32-25-4. Except as provided pursuant to § 32-25-7, no person may drive a vehicle upon the national system of interstate highways at a speed in excess of ~~seventy-five~~ eighty miles per hour. A violation of this section is a Class 2 misdemeanor."

Moved by: Mickelson
Second by: Westra
Action: Prevailed by voice vote.

MOTION: AMEND SB 1

lfy

On page 12, after line 10 of the Senate engrossed bill, insert:

" Section 28. That § 10-47B-14 be repealed.

~~—10-47B-14. Any person having title to any fuel in storage subject to the fuel excise tax pursuant to § 10-47B-4 immediately prior to a tax increase under this chapter, is subject to an inventory tax based on the gallons in storage as of the close of the business day preceding the effective date of the increased tax rate.~~

Section 29. That § 10-47B-15 be repealed.

~~—10-47B-15. Any person subject to the tax imposed by § 10-47B-14 shall:~~
~~—(1) Take an inventory to determine the gallons in storage for purposes of determining the inventory tax;~~
~~—(2) Report the gallons listed in § 10-47B-14 on forms provided by the secretary; and~~
~~—(3) Pay the tax due not more than thirty days after the prescribed inventory date.~~

Section 30. That § 10-47B-16 be repealed.

~~—10-47B-16. In determining the amount of fuel tax due under §§ 10-47B-14 and 10-47B-15, the person may exclude the amount of fuel that will not be pumped out of the storage tank because the fuel is below the mouth of the draw pipe. For this purpose, the person may deduct two hundred gallons for a storage tank with a capacity of more than one thousand gallons and less than ten thousand gallons, and four hundred gallons for a storage tank with a capacity of ten thousand gallons or more.~~

Section 31. That § 10-47B-17 be repealed.

~~—10-47B-17. The amount of the inventory tax imposed by § 10-47B-14 is equal to the tax rate indicated in § 10-47B-4 times the gallons in storage as determined under §§ 10-47B-15 and 10-47B-16."~~

Moved by: Bartling
Second by: Gosch
Action: Prevailed by voice vote.

MOTION: AMEND SB 1

lfz

On page 4 of the Senate engrossed bill, delete lines 4 to 7, inclusive, and insert:

"

- (1) \$.27 per gallon on July 1, 2015, to June 30, 2016, inclusive;
- (2) \$.30 per gallon on July 1, 2016, to June 30, 2017, inclusive; and
- (3) \$.32 per gallon on and after July 1, 2017."

On page 4, delete lines 11 to 14, inclusive, and insert:

"

- (1) \$.13 per gallon on July 1, 2015, to June 30, 2016, inclusive;
- (2) \$.16 per gallon on July 1, 2016, to June 30, 2017, inclusive; and
- (3) \$.18 per gallon on and after July 1, 2017."

On page 12, after line 10, insert:

" Section 28. That § 32-5B-17 be amended to read as follows:

32-5B-17. All revenues received pursuant to §§ 32-5B-1, 32-5B-1.4, and 32-5B-20 shall be credited to the state highway fund. However, from July 1, 2015 , to June 30, 2018, twelve and one-half percent of the revenue received pursuant to §§ 32-5B-1 and 32-5B-1.4 shall be credited to the local government highway and bridge fund.".

Moved by: Bartling
Action: Died for lack of a second.

MOTION: AMEND SB 1

1faa

On page 5, line 20, of the Senate engrossed bill, delete "2016" and insert "2017".

On page 5, line 23, delete "2016" and insert "2017".

Moved by: Bartling
Second by: Hawley
Action: Failed by voice vote.

MOTION: DO PASS SB 1 AS AMENDED

Moved by: Haggar (Don)
Second by: Langer
Action: Prevailed by roll call vote. (13-0-0-0)

Voting Yes: Bartling, Bolin, Haggar (Don), Hawley, Langer, Mickelson, Munsterman, Solum, Stevens, Verchio, Wink, Westra, Gosch

MOTION: AMEND TITLE OF SB 1

1ota

On page 1, line 2, of the Senate engrossed bill, after "Dakota" insert "and to increase the maximum speed limit on interstate highways".

Moved by: Mickelson
Second by: Wink
Action: Prevailed by voice vote.

SB 140: accommodate legislation relating to education in South Dakota.

Presented by: Representative Steve Westra

MOTION: DO PASS SB 140

Moved by: Mickelson

Second by: Solum

Action: Prevailed by roll call vote. (12-0-1-0)

Voting Yes: Bartling, Bolin, Haggar (Don), Hawley, Langer, Mickelson, Munsterman, Solum, Stevens, Verchio, Westra, Gosch

Excused: Wink

SB 141: accommodate legislation on medical services.

Presented by: Representative Steve Westra

MOTION: DO PASS SB 141

Moved by: Mickelson

Second by: Langer

Action: Prevailed by roll call vote. (12-0-1-0)

Voting Yes: Bartling, Bolin, Haggar (Don), Hawley, Langer, Mickelson, Munsterman, Solum, Stevens, Verchio, Westra, Gosch

Excused: Wink

SB 142: enhance South Dakota.

Presented by: Representative Steve Westra

MOTION: DO PASS SB 142

Moved by: Mickelson

Second by: Haggar (Don)

Action: Prevailed by roll call vote. (12-0-1-0)

Voting Yes: Bartling, Bolin, Haggar (Don), Hawley, Langer, Mickelson, Munsterman, Solum, Stevens, Verchio, Westra, Gosch

Excused: Wink

SB 193: provide for an annual evaluation of state government agencies and require a report.

Presented by: Representative Brian Gosch

MOTION: TO TABLE SB 193

Moved by: Westra

Second by: Langer

Action: Prevailed by roll call vote. (12-0-1-0)

Voting Yes: Bartling, Bolin, Haggar (Don), Hawley, Langer, Mickelson, Munsterman, Solum, Stevens, Verchio, Westra, Gosch

Excused: Wink

MOTION: ADJOURN

Moved by: Mickelson

Second by: Westra

Action: Prevailed by voice vote.

Glenda Woodburn
Committee Secretary

Brian G. Gosch, Chair